



## Budgeting & Protected Taxes

**Susan Clark**

**Budget Division Director**

**May 21, 2015**



# Agenda

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- 2015 Status Update
- 2016 Budgets
- Timeline
- Online Notices
- County Reviews
- Nonbinding Recommendations
- Binding Adoption
- Protected Taxes



# 2015 Status Update



**On time billing  
for all 92  
counties! THANK  
YOU FOR YOUR  
HARD WORK!**



# 2016 Budgets



# 2016 Timeline

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- April 1, 2015
- Submission of sales data to the Department's Data Division.
- The first step in the process is that sales data must be compliant before a ratio study can be reviewed and approved.



# 2016 Timeline

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- May 1, 2015
- Recommended date for ratio study submission to the Department's Assessment Division.



# 2016 Timeline

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- June 30, 2015
- Settlement date for the May tax collections.
- First six months' fund balances and operating results available.
- Can begin the Current Year Financial Worksheet on Gateway.





# 2016 Timeline

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- July 1, 2015
- Deadline for roll and balance of gross assessed values from county assessor to county auditor.



# 2016 Timeline

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- July 14, 2015
- Redevelopment commissions must file a letter indicating any available TIF AV surplus to be passed-through to taxing units.
- In advance of certification of net assessed values, county auditor prepares and submits TIF Neutralization worksheets to the Department.
- Upon approval, apply the neutralization factor within your system.



# 2016 Timeline

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- August 1, 2015
- Deadline to submit 2015 pay 2016 certified net assessed values (CNAVs) to the Department through Gateway.
- Submission of CNAVs generally determine the order in which a county's budget will be reviewed.



# 2016 Timeline

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- August 1, 2015
- Prior to submission, determine appropriate amount of AV withholding to provide sufficient “cushion” for deduction filings through the end of the year.
- If you need to withhold more than 2% of net AV within any taxing district, you must submit a request to the Department prior to certification.



# 2016 Timeline

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- September 1, 2015
- Deadline for taxing units to submit necessary information to county council or city/town fiscal body for nonbinding recommendation or binding adoption.
- Submission is to be completed through Gateway.
- It is the taxing unit's responsibility to submit this information by the deadline.



# 2016 Timeline

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- September 13, 2015
- Last possible day for posting of proposed 2016 budget, levy, and notice to taxpayers of public hearing (Budget Form 3) through Gateway.
- At least 10 days before public hearing.
- For units subject to binding adoption, the appropriate fiscal body is responsible for the proper submission of the notice.



# 2016 Timeline

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- October 1, 2015
- Last day for county fiscal body to complete review and issue nonbinding recommendations to taxing units on proposed 2016 budgets, levies, and tax rates.



# 2016 Timeline

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- October 23, 2015
- Last possible day for taxing units to hold a public hearing on the 2016 budget.
- **Must be held at least 10 days before the budget adoption.**





# 2016 Timeline

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- November 2, 2015
- Last possible day for budget adoption.
- **Submission of all budget forms through Gateway must occur within 2 days after budget adoption.**



# Online Notices



# Online Notices

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- Online budget notices allow taxpayers to access the Form 3 information at any time once submitted.
- The Department must provide a phone number that taxpayers can call to request mailed copies of the Form 3s.
- Again this year, each county unit is responsible for publishing a notice in two newspapers that includes information with the Internet address for the public to view budgets and the phone number to request copies of Form 3s.



# Online Notices

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- New this year is a subscription service for anyone to sign up to receive an email alert when a unit submits its Form 3 on Gateway.
  - Subscribers will also receive alerts when a unit modifies its budget notice.
- From the Budget Notices page, click Alert Me for a unit for which you'd like to receive an email.
- Then you'll be prompted to enter your email address.
- You may click Alert Me multiple times.
- Click "Save Subscriptions".



# Online Notices

- The Budget Notices page can be accessed via <http://budgetnotices.in.gov/>



Budget Notices for Local Government

[Search by Address](#) [Unit Look-Up](#) [Budget Corrections](#) [Fiscal Schools](#) [About](#) [What are Alerts?](#)

Welcome to Budget Notices.

Email:  [Save](#)

[Sign up for Budget Alerts Here](#)

[Save Subscriptions](#)

Warning: You have unsaved selection

## Unit Look-up

Budget Year: 2015

County:

Taxing District:

Unit Type:

[Find My Taxing District!](#)

Taxpayers are advised to check back within 7 days of the public hearing to see if the unit of government has made any revisions to the initial advertisement.

Taxing Unit	2014 Certified Levy	2015 Proposed Budget	2015 Proposed Levy	Public Hearing	Adoption Meeting	Budget Notice	
<a href="#">0000 - Hamilton County</a>	\$54,156,439	\$154,469,509	\$63,958,757	10/1/2014	10/13/2014	8/20/2014	<input checked="" type="checkbox"/> Alert Me
<a href="#">0001 - Adams Township</a>	\$325,996	\$601,750	\$335,283	9/11/2014	10/9/2014	8/22/2014	<input type="checkbox"/> Alert Me
<a href="#">0002 - Clay Township</a>	\$5,334,112	\$9,405,520	\$5,909,982	9/23/2014	10/7/2014	8/18/2014	<input type="checkbox"/> Alert Me
<a href="#">0003 - Delaware Township</a>	\$837,454	\$1,432,502	\$1,135,000	9/10/2014	10/15/2014	8/28/2014	<input type="checkbox"/> Alert Me
<a href="#">0004 - Fall Creek Township</a>	\$526,338	\$1,068,713	\$759,000	9/17/2014	10/29/2014	9/2/2014	<input type="checkbox"/> Alert Me
<a href="#">0005 - Jackson Township</a>	\$874,705	\$1,313,000	\$1,062,298	9/3/2014	9/23/2014	8/18/2014	<input type="checkbox"/> Alert Me
<a href="#">0006 - Noblesville Township</a>	\$1,738,530	\$2,381,748	\$1,861,605	9/30/2014	10/10/2014	9/11/2014	<input type="checkbox"/> Alert Me



# Online Notices

- The Budget Notices page can be accessed from the Department home page <http://in.gov/dlgf/>:

The screenshot shows the IN.gov website for the Department of Local Government Finance. The header includes the IN.gov logo, the tagline 'A State that Works', a dropdown menu set to 'DLGF', a search bar, and the name 'MIKE PENCE'. Below the header is a navigation bar with links to various departments: About Indiana, Agriculture & Environment, Business & Employment, Education & Training, Family & Health, Law & Justice, Public Safety, Taxes & Finance, and Tourism & Transportation. The main content area is titled 'Department of Local Government Finance' and features a large banner for 'Learn about the Appeal Process' with a 'get started' button. To the left is a 'DLGF HOME' sidebar with links to About Us, Memos & Presentations, News & Calendar, Contact Us, Distressed Unit Appeals Board, Legislation & Policy Information, County Specific Information, Reports and Data, and Contact Your Local Officials. Below this is a section for 'INFORMATION FOR TAXPAYERS' with links to Overview, Understanding Your Tax Bill, Referendum Information, Assessments, Property Tax Appeals Process, Property Tax Deductions, Forms, and Township Look Up. To the right of the banner is a 'DLGF Quick Links' section with icons for Status Maps, Gateway Budget Data for Local Governments, Online Budget Notices (circled in red), and Personal Property Forms. Further right is an 'Online Services' section with links to Search Budget Notices, Indiana Gateway for Government Units, County Tax Bill Calculator, Search Assessed Value Database, Search Sales Disclosure Database, Search Past Tax Bill Database, Sales Disclosure Application, and Forms.IN.gov. At the bottom right is a 'Top FAQs' section with a list of questions about property taxes.

**IN.gov** A State that Works DLGF Search MIKE PENCE

About Indiana Agriculture & Environment Business & Employment Education & Training Family & Health Law & Justice Public Safety Taxes & Finance Tourism & Transportation

Department of Local Government Finance Expand / Collapse

**DLGF HOME**

- About Us
- Memos & Presentations
- News & Calendar
- Contact Us
- Distressed Unit Appeals Board
- Legislation & Policy Information
- County Specific Information
- Reports and Data
- Contact Your Local Officials

**INFORMATION FOR TAXPAYERS**

- Overview
- Understanding Your Tax Bill
- Referendum Information
- Assessments
- Property Tax Appeals Process
- Property Tax Deductions
- Forms
- Township Look Up

**INFORMATION FOR LOCAL GOVERNMENT**

**DLGF Quick Links**

- Status Maps
- Gateway Budget Data for Local Governments
- Online Budget Notices**
- Personal Property Forms
- Petition and Remonstrance & Referendum Processes
- Contact Your Local Officials

**Online Services**

- Search Budget Notices
- Indiana Gateway for Government Units
- County Tax Bill Calculator
- Search Assessed Value Database
- Search Sales Disclosure Database
- Search Past Tax Bill Database
- Sales Disclosure Application
- Forms.IN.gov

**MORE ONLINE SERVICES »**

**SUBSCRIBER CENTER »**

**Top FAQs** I Want To...

- How much property tax do I owe?
- Where can I locate a form?
- How are property taxes determined and calculated?
- Where can I find out how much homes have sold for in my area?
- Why haven't I received my tax bill?
- My taxes are too high, what can I do? Why did my taxes go up so much?



# County Review



# Nonbinding Recommendations

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- Information to be provided by any taxing unit that proposes to levy a property tax in the ensuing year.
  - Proposed budget, levy, and tax rate for non-school units.
  - Proposed levy and tax rate for schools.
    - Note that for schools, a review must be completed, however a nonbinding recommendation does not need to be issued.





# Nonbinding Recommendations

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- Taxing units included:
  - Any taxing unit (other than the county unit) that is not subject to binding adoption of its proposed budgets and levy by an appropriate fiscal body.
  - Taxing units with elected fiscal bodies/boards.
  - Libraries with an appointed board where the growth in the proposed budget is less than the AVGQ.



# Nonbinding Recommendations

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- County responsibilities – Non-School Units
  - Review the proposed budgets, levies, and tax rates for the taxing unit.
  - Must issue a recommendation regarding the taxing unit's proposed budgets, levies, and tax rates.
  - Must include comparison to Indiana AVGQ and the county's average increase in non-farm personal income for the preceding six years.
  - Must include comparison to increases in the budgets and tax levies of other taxing units in the county.



# Nonbinding Recommendations

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- County responsibilities – Schools
  - Review the proposed levies and tax rates for the school.
  - No recommendation is required.



# Nonbinding Recommendations

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- If the taxing unit fails to file the necessary information by September 1, the taxing unit will receive the lesser of its most recent annual appropriations and levies or its advertised/ adopted appropriations and levies for 2016.
- **If the county council fails to perform both the review and recommendation for any required unit by October 1, the county will receive the lesser of the most recent annual appropriations and levies or its advertised/adopted appropriations and levies for 2016.**



# Binding Adoption

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- Units subject to binding adoption
  - Taxing units with appointed boards (majority of board unelected).
  - Libraries with appointed boards with growth in the proposed budget which exceeds the AVGQ.
- Proposed budget, levy, and tax rates must be submitted to the appropriate fiscal body by September 1, 2015.
- Appropriate fiscal body is responsible for submitting the required notice of proposed budgets, levies, tax rates, and notice of public hearing to Gateway.



# Binding Adoption

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- Appropriate fiscal body must conduct the public hearing for the taxing unit.
- Appropriate fiscal body must adopt the final budget, levy, and tax rate for the taxing unit.
- Fiscal body may reduce or modify but not increase the proposed budget, levy, or tax rate.
- Appropriate fiscal body officer (county auditor in the case of county) serves as the submitter of the budget forms through Gateway.
- Email [gateway@dlgf.in.gov](mailto:gateway@dlgf.in.gov) to get submission rights if needed.



# Protected Taxes



# Protected Taxes

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- Protected taxes were implemented in 2014.
- Protected taxes are taxes raised for debt-service and lease rental bond payments.
- The goal of protected taxes is to ensure that a unit has sufficient revenue to be able to pay its debts when due.





# Protected Taxes

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- Debt service funds and lease rental payment funds will not be subject to circuit breaker loss.
- The tax rate associated with debt funds is included for the purposes of computing a unit's overall circuit breaker loss.
- NOTE: Over 65 Circuit Breaker is not included in the statements above. Debt funds will experience a loss due to Over 65 circuit breaker credits, if applicable.



# Protected Taxes

- Total Unit Circuit Breaker Loss = \$100,000

Fund	Tax Rate	% of Total Tax Rate	Circuit Breaker Credits	% of Circuit Breaker Credits
General	\$0.5000	50%	\$66,667	67%
Reassessment	0.1000	10%	13,333	13%
Health	0.1500	15%	20,000	20%
Debt Service	0.2500	25%	0	0%
Total	\$1.0000		\$100,000	



# Protected Taxes

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- IC 6-1.1-20.6-9.8 includes a provision that allows a taxing unit to determine to which funds they would like to allocate the circuit breaker credits associated with debt funds.
- The Department will be issuing guidance and instructions on the reallocation of circuit breaker credits shortly.



# Contact the Department

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- Telephone: 317.234.3937
- Email: [sclark@dlgf.in.gov](mailto:sclark@dlgf.in.gov)
- Website: [www.in.gov/dlgf](http://www.in.gov/dlgf)
- Contacts: [www.in.gov/dlgf/2338.htm](http://www.in.gov/dlgf/2338.htm)